



MAKAH TRIBAL COUNCIL

P.O. BOX 115 • NEAH BAY, WA 98357 • 360-645-2201



IN REPLY REFER TO:

March 14, 2018

Honorable Wilbur Ross
Secretary of Commerce
U.S. Department of Commerce
1401 Constitution Ave NW
Washington, D.C. 20230

Re: Makah Tribe's Economic Impact Assessments form Two Federally-Declared Fishery Disasters: (1) 2014 Fraser River Sockeye; and (2) 2016 Statewide Ocean Troll Fishery

Dear Secretary Ross,

I am writing to provide specific economic impact analyses on the Makah Tribe as a party to the 2014 Fraser River Sockeye and 2016 Statewide Ocean Troll fishery disasters. We anticipate NOAA and the State of Washington will include affected tribes in their allocation decisions for these declared disasters, as outlined in Secretary Pritzker's January 18, 2017 letter. The Makah Tribe was especially affected by the 2016 ocean troll fishery disaster, being one of the few treaty tribes in Washington State with an ocean troll fishery. **The combined economic impact from the 2014 sockeye and 2016 ocean troll fishery disasters on the Makah Tribal community is estimated at \$5,045,206.** We outline below the specifics of the economic impacts on the Makah Community for each of these declared disasters.

Ceremonial, subsistence, and commercial fishing have sustained the Makah Tribe since time immemorial and is an integral part of the way of life and the identity of the Makah people. The 1855 Treaty of Neah Bay reserved the "right of taking fish and of whaling or sealing at usual and accustomed grounds and stations" (Article IV, 1855 Treaty of Neah Bay) for the Makah Tribe off the northwest coast of Washington, and was as reaffirmed and interpreted in 1974 *U.S. v. Washington* (known as the "Boldt Decision")¹ and subsequent decisions.² The treaty tribes in Washington State have the reserved right to harvest up to half of the fish and shellfish within their usual and accustomed areas and established these tribes as co-managers of Washington State fisheries. The Makah Tribe's current marine Usual and Accustomed (U&A) Area is constrained by the U.S./Canada border to the north, extends to 48° 02' 15" N (Norwegian Memorial) to the south, extends to 125° 44' 00" W (approximately 40 nautical miles

¹ *United States v. Washington*, 384 F. Supp. 312 (W.D. Wash. 1974), aff'd, 520 F.2d 676, 684-687 (9th Cir. 1975).

² *E.g.*, *Washington v. Washington State Commercial Passenger Fishing Vessel Association*, 443 U.S. 658, 685-687 (1979) (salmon); *U.S. v. Washington*, 459 F. Supp. 1020, 1065 (W.D. Wash. 1978) (herring); *U.S. v. Washington*, No. C85-1606R, Subproceeding No. 92-1 (W.D. Wash. Dec. 29, 1993) (halibut); *U.S. v. Washington*, 873 F. Supp. 1422, 1445, n.30 (W.D. Wash. 1994), aff'd in part and rev'd in part, 157 F. 3d 630, 651-652 (9th Cir. 1998) (shellfish); *U.S. v. Washington*, No. 9213, Subproceeding 96-2 (Nov. 4, 1996) (Pacific whiting).

offshore) to the west, and extends to 123° 42' 30" W (Tongue Point) to the east. This area represents approximately 1,550 square miles of marine waters. As a federally recognized tribe and sovereign nation, we have the right to request and receive disaster relief under the Department of Commerce and Congressional appropriation.

The Makah Tribe was especially affected by the 2014 Fraser sockeye and 2016 ocean troll fishery disasters, because unlike non-treaty fishers, tribal treaty fishermen are geographically limited in where they are able to fish, only within the U&A. Neah Bay is extremely rural and remote, 75 miles from the nearest town of Port Angeles. The population of Neah Bay is 1,611. There are limited economic opportunities for the Makah Tribal community, with commercial fishing employing 50-70% of our population. Ceremonial and subsistence fisheries support food and cultural needs of the community, with nearly every household relying on subsistence foods. Our Government and Social Services are severely taxed as one of the primary sources of income for many families and are strained beyond programmatic capacity during fisheries disasters.

The impacts to the Makah Tribal community differ substantially based on the specific fishery. Coho and chinook fisheries tend to be focused on commercial harvest and have a reliable season length from July to September. There are approximately 62 vessels who participate in the ocean troll fishery. Coho and chinook harvested are primarily sold and serve as the main source of income for Makah fishermen in the summertime. Sockeye fisheries by comparison are based on in-season adjustments and a tight management regime. Due to the lower economic value of the fishery and variability, there are fewer participants (approximately 13 vessels) and the use of the fish harvested in the fishery varies. Harvested sockeye are often saved for the Makah Days celebration, or for canning and preserving, or for other subsistence uses. The differences in the uses and value of these fisheries are reflected in the estimated impacts to the community for both the 2014 sockeye and 2016 ocean troll fishery disasters. We provide specific economic impacts from each fishery disaster below.

2014 Fraser River Sockeye Salmon Fishery Disaster

The total economic impact to the Makah Tribe from the 2014 Fraser Sockeye Fishery Disaster was \$1,018,937. Specific impacts to the Makah community are described below.

The Makah Tribe was negatively affected by the migration route of the 2014 Fraser River sockeye. Although the overall Fraser River sockeye run was large, an abnormally high migration diversion rate through Canadian waters resulted in a severe reduction in commercial Fraser sockeye harvest for the Makah Tribe. Approximately 96% of Fraser sockeye returned to the river through Johnstone Strait (Canadian waters) rather than the Strait of Juan de Fuca (U.S. waters). With only a fraction of Fraser sockeye passing through the Makah U&A, our harvest was approximately 89% lower than average (2010-2013). Our ex-vessel revenue, on average (2010-2013), was \$386,305. In 2014, our ex-vessel revenue for the sockeye fishery was only \$42,611. This is a loss of \$343,694 ex-vessel revenue for the Makah community. Additionally, the Cape Flattery Fishermen's Co-op had a loss of \$105,938 and our 22 fish buyers experienced a loss of \$308,620, based on average pounds of sockeye caught between 2010-2014 and an average price per pound of \$5.00.

Due to the abnormally low catch in 2014, there were fewer fishing trips made than previous years. We have calculated a loss of gas and grocery revenue based on average landings of previous sockeye fisheries from 2010-2013, for a loss of 66 landings. Fewer vessel trips result in less fuel purchased at the Mini-Mart and fewer groceries purchased at Washburn's for sockeye fishing. We averaged fuel diesel costs for the average vessel at \$1,800 and the average grocery needs for the vessel at \$110 for the fishing crew per trip. Vessels also had to spend money on gear change outs, including putting the driftnet gear on the boat as well as fixing, preparing, or purchasing a new net, and gear for their crew, without gaining the revenue to offset those costs, estimated at \$2,250 per vessel with an average of 13 vessels participating in the fishery. The 2014 sockeye fishery is estimated to have resulted in a loss of fuel revenue at \$118,800, grocery revenue at \$7,260, and gear change outs at \$29,250 for a total loss of \$155,310 from fewer fishing trips.

The Fraser sockeye fishery is extremely important to Makah fishermen, and the severe reduction in harvest has impacts throughout the tribal community. Commercial Fraser sockeye contributes to ceremonial and subsistence food, especially during the winter months. With the loss of this subsistence food source, community members would have to spend money on groceries and potentially forgo some income in selling jarred sockeye. The loss of sockeye revenue was compounded with the decrease in ceremonial and subsistence (C&S) fish, with a loss of 5,897lbs of sockeye C&S in 2014 compared to average subsistence yields between 2010-2013. With an average retail price per pound of \$5.00 our fishermen had to supplant their subsistence needs with purchasing fish or other protein, costing them an additional \$29,486 in 2014. Our community also cans and jars sockeye to preserve for winter or to sell to tourists, sockeye is primarily used in this manner as it is redder in color than coho or chinook and has a higher oil content. We estimate some families may have lost out on a supplemental revenue with not being able to sell jarred sockeye, with approximately 20 families participating in this activity, a community loss of \$1,910.

During Makah Days, our annual celebration of being Makah and becoming U.S. citizens held at the end of every August, the Tribe traditionally hosts a sockeye salmon bake. However, with no sockeye to provide in 2014 the Tribe had to purchase fish elsewhere. The Tribe had to pay for other sockeye that would normally be provided by the community to feed upwards of 1,000 people visiting Neah Bay over the weekend, this resulted in a \$10,000 impact to the Makah Tribe.

Our Financial Assistance and Social Services Program (FASSP) did experience a funding shortfall starting in 2014, due to significant increase in General Assistance needs, jumping from an average of 456 persons served (2010-2013) to more than doubling to 1,010 persons served. This resulted in a funding shortfall of \$63,979 in 2014 for our FASSP.

2014 Fraser Sockeye Impacts:

- Ex-vessel losses: \$343,694
- Cape Flattery Fishermen's Co-Op losses: \$105,938
- Fish buyers loss: \$308,620
- Fuel losses: \$118,800

- Groceries losses: \$7,260
- Gear Change out costs: \$29,250
- Subsistence losses: \$38,332
- Supplemental income losses: \$1,910
- Makah Days Sockeye bake impacts: \$10,000
- General Assistance funding deficit impacts: \$63,979
- **TOTAL LOSSES: \$1,018,937**

2016 Statewide Ocean Troll Fishery Disaster

The total economic impact to the Makah Tribe from the 2016 Ocean Troll Fishery Disaster was \$4,026,269. Specific impacts to the Makah community are described below.

In 2015, coho runs were extremely low. As a result, Makah catch rates were the lowest they have been in the past 10 years. On average, the Makah fleet catches nearly 33,000 coho in a typical summer troll season. This brings an average of \$334,440³ in ex-vessel income to our community. In contrast, the 2015 season brought us just 3,000 coho and only \$16,000 in ex-vessel income. During the 2016 season setting process many fisheries managers expressed major concerns for coho stocks after the poor coho returns in 2015. Because of those concerns, it was decided that the Ocean Treaty Troll fishery would not target coho in the 2016 season. In addition to a zero coho quota, Makah's fisheries biologists had to strategically manage the chinook fishery in order to minimize impacts to coho. However, coho returns were better than predicted and many fisheries were able to open in the Puget Sound and in terminal areas. At this point the shortened troll season was already complete and the coho had mostly passed through the Makah usual and accustomed fishing area. The loss of the 2016 coho fishery resulted in a loss of \$334,440 in revenue for Makah fishermen for that year. The extreme management measures undertaken during the 2016 ocean troll fishery to avoid coho resulted in our fishermen not being able to catch half of the allocated chinook quota. The average ex-vessel revenue for chinook from 2011-2015 was \$2,129,238, in 2016 it was \$1,245,339, a 42% decrease (\$883,898). The 2016 ocean troll fishery disaster equates to a 51% loss, \$1,218,338, in ex-vessel revenue for the Makah Tribe. Additionally, the Cape Flattery Fishermen's Co-Op experienced a loss of \$728,441 of revenue and our 9 fish buyer's lost \$1,227,372. Over half of the Makah Tribe (53%) were directly affected by this fishery disaster with the loss of ex-vessel revenue. ⁴ The Makah Tribe also experienced a reduction in the number of fish buyers in 2016, from an average of 20 buyers in 2010-2014 to 9 buyers in 2016.

We have calculated a loss of gas and grocery revenue based on average landings of previous ocean troll fisheries from 2010-2015, for a loss of 279 landings. Fewer vessel trips result in less fuel and fewer groceries purchased for fishing. We averaged fuel diesel costs for the average vessel at \$1,800 and the

³ Due to the extreme low catch rates of the 2015 coho fishery, we have not included that year in our average. The averages for the coho fishery ex-vessel values span from 2010-2014, for the chinook fishery average ex-vessel values span from 2011-2015.

⁴ Approximately 615 tribal members were directly affected out of 1160 people [average number of boats in fishery from 2011-2015 (61.6 boats), average number of crew per vessel (3 crew), average household size (3.33 people)].

average grocery needs for the vessel at \$110. Vessels also had to spend money on gear change outs, including purchasing plugs to avoid catching coho, and fishing gear for their crew, estimated at \$1,500 per vessel with an average of 62 vessels participating in the fishery. The 2016 ocean troll fishery is estimated to have resulted in a loss of fuel revenue at \$502,200, grocery revenue at \$30,690, and gear change outs at \$93,000 for a total loss of \$625,890.

The Makah commercial fishing dock was built and operational in late 2014, this limits the data we have on impacts to our dock revenue. However, we are able to infer that with fewer vessel trips for ocean troll our dock suffered a loss in revenue.⁵ The Makah Tribe's commercial fishing dock sells ice as well as offloads catch. These fees (ice, hoist, offload, etc.) decreased between 2015 and 2016, likely due to the loss of summer troll catch. Ice sales and offload fees account for the largest portion of dock revenue, with a \$16,462 decrease in offloading fees and \$39,994 decrease in ice sales. Since we are unable to use the previous five-year average for changes, we used the 2015-2017 average to determine impact to the dock. The loss of ice sales in 2016 compared to the 2015-2017 average was \$16,380.

The loss of ocean troll revenue was compounded with the decrease in subsistence fish, with a loss of 1,282lbs of C&S coho and chinook in 2016 compared to average subsistence yields between 2010-2015. With an average price per pound of \$18 our fishermen had to supplant their subsistence needs with purchasing fish or other protein, costing them an additional \$23,071 in 2016.

This fishery disaster did not only have direct impacts on fishing families through loss of ex-vessel revenue, but on community health and wellbeing. In 2016, drug cases increased by 40% compared to 2011-2014, with hard drug cases (meth and heroin) increasing 2.5 times in that same time period. This had a negative impact on our emergency services, medical service, and social services. Due to the fisheries disasters our General Assistance program has had marked increase in usage since 2014, from serving under 500 people on average to serving upwards of 1,000 people each year from 2014-2016. The combined funding deficient the Tribe is facing due to this marked increase in usage from the 2014 and 2016 fishery disasters totals \$250,756, with 2014 totaling \$63,979 and 2015-2016 totaling \$186,777. With only having food bank data from 2015 and 2016 we are unable to use previous years averages, however, we do see an impact between these two years in usage. We saw an increase in individuals served by the food bank between 2015 and 2016, with highest increase in May and June leading up to summer troll season. On average the food bank served 114 more people in 2016 than 2015, with over 300 more individuals using the food bank in May and June in 2016 than 2015.

The 2016 statewide ocean salmon troll fishery was declared a fisheries disaster and included "affected tribes" in the determination, as outlined in this economic impact assessment, the Makah Tribe was especially affected. We ask that under your authority and in cooperation with the National Oceanic and Atmospheric Administration (NOAA) Fisheries program, the Pacific States Marine Fisheries Commission, and Washington State, that you coordinate with all parties to include the Makah Tribe in the allocation decision for the 2016 ocean troll fishery disaster. With no coho salmon to harvest, there was no coho

⁵ The Makah Tribe's commercial fishing dock is newly constructed and therefore only have partial data from 2014-2016. For this impact we were only able to compare 2015 to 2016.

salmon for subsistence and no income for fishing families. The Makah community is struggling in response to this fisheries disaster and in need of expedited financial assistance and relief.

2016 Ocean Troll Impacts:

- Ex-vessel losses: \$1,218,338
- Cape Flattery Fishermen's Co-Op losses: \$728,441
- Fish buyers loss: \$1,227,372
- Dock losses: \$16,380
- Fuel losses: \$502,200
- Groceries losses: \$30,690
- Gear Change out costs: \$93,000
- Subsistence losses: \$23,071
- General Assistance funding deficit impacts: \$186,777
- **TOTAL LOSSES: \$4,026,269**

We would like to work with Washington State and NOAA headquarters to ensure the impacts of these fishery disasters on the Makah Tribe are adequately captured in the allocation decision. If you have any additional questions, please contact Rosina DePoe, Chief of Staff for the Makah Tribe by phone at 360-645-3237 or by email rosina.depoe@makah.com. Thank you for your consideration on this matter.

Sincerely,



Nate Tyler, Chairman
Makah Tribal Council

Cc:

The Honorable Maria Cantwell

The Honorable Patty Murray

The Honorable Derek Kilmer

The Honorable Jay Inslee

Chris Oliver, Assistant Administrator, NOAA Fisheries

Alan Risenhoover, Director, NOAA Office of Sustainable Fisheries

Barry Thom, Regional Administrator, NOAA Fisheries West Coast Region

Ryan Wulff, Acting Assistant Regional Administrator, NOAA Fisheries West Coast Region

Joe Stohr, Acting Director, Washington Department of Fish and Wildlife